

1 [Multifamily Housing Revenue Bonds - 1150-3rd Street Apartments (also known as Mission  
2 Bay South Block 3 East) - Not to Exceed \$51,000,000]

3 **Resolution authorizing the issuance, sale and delivery of multifamily housing revenue**  
4 **bonds in an aggregate principal amount not to exceed \$51,000,000 for the purpose of**  
5 **providing financing for the construction of a 119-unit multifamily rental housing project**  
6 **known as 1150-3rd Street Apartments; approving the form of and authorizing the**  
7 **execution of an indenture of trust providing the terms and conditions of the bonds;**  
8 **approving the form of and authorizing the execution of a regulatory agreement and**  
9 **declaration of restrictive covenants; approving the form of and authorizing the**  
10 **execution of a loan agreement; authorizing the collection of certain fees; approving**  
11 **modifications, changes and additions to the documents; ratifying and approving any**  
12 **action heretofore taken in connection with the bonds and the project; and granting**  
13 **general authority to City officials to take actions necessary to implement this**  
14 **Resolution, and related matters, as defined herein.**

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16  
17 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the  
18 “Board”) desires to provide for a portion of the costs of the construction by MB3E, L.P., a  
19 California limited partnership (the “Borrower”), of a 119-unit (including one manager’s unit)  
20 residential rental development located at 1150 3rd Street, San Francisco, California 94158,  
21 known as “1150 3rd Street Apartments” (also known as Mission Bay South Block 3 East) (the  
22 “Project”), to provide housing for persons and families of very low income through the  
23 issuance of multifamily housing revenue bonds; and

24 WHEREAS, The City and County of San Francisco (the “City”) is authorized to issue  
25 revenue bonds for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of

1 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of  
2 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of  
3 California (“Health and Safety Code”), as now in effect and as it may from time to time  
4 hereafter be amended or supplemented (collectively, the “Act”); and

5 WHEREAS, On July 19, 2017, the California Debt Limit Allocation Committee in its  
6 Resolution No. 17-69 allocated \$51,000,000 in qualified private activity bonds to the Project  
7 (the “CDLAC Resolution”); and

8 WHEREAS, There has been prepared and presented to the Board for consideration at  
9 this meeting the documentation required for the issuance of the Bonds, and such  
10 documentation is on file with the Clerk of the Board of Supervisors (the “Clerk of the Board”);  
11 and

12 WHEREAS, It appears that each of the documents which is now before this Board is  
13 substantially in appropriate form and is an appropriate instrument to be executed and  
14 delivered for the purposes intended; and

15 WHEREAS, The Board finds that the public interest and necessity require that the City  
16 at this time make arrangements for the sale of the Bonds; and

17 WHEREAS, The Bonds will be a limited obligation of the City, the sole source of  
18 repayment of which shall be payments made by the Borrower under the Loan Agreement  
19 (hereinafter defined), together with investment income of certain funds and accounts held  
20 under the Indenture (hereinafter defined); and

21 WHEREAS, The City has engaged Stradling Yocca Carlson & Rauth, P.C. and Amira  
22 Jackmon, Attorney at Law, as co-bond counsel with respect to the Bonds (“Co-Bond  
23 Counsel”); and

24 WHEREAS, Wells Fargo Bank, National Association, has expressed its intention to  
25 purchase, or cause an affiliate to purchase, the Bonds authorized hereby; now, therefore, be it

1 RESOLVED, by this Board of Supervisors of the City and County of San Francisco as  
2 follows:

3 Section 1. The Board hereby finds and declares that the above recitals are true and  
4 correct.

5 Section 2. In accordance with the Act and the Indenture (hereinafter defined), the City  
6 is hereby authorized to issue and deliver revenue bonds of the City, such bonds to be issued  
7 in one or more series and subseries, and designated as “City and County of San Francisco  
8 Multifamily Housing Revenue Bonds (1150 3rd Street Apartments), Series 2017F,” or such  
9 other designation as may be necessary or appropriate to distinguish such series from every  
10 other series of bonds, in an aggregate principal amount not to exceed \$51,000,000 (the  
11 “Bonds”), with a fixed and/or variable interest rate not to exceed twelve percent (12%) per  
12 annum for the Bonds, and which shall have a final maturity date not later than forty (40) years  
13 from the date of issuance of the Bonds. The Bonds shall be in the form set forth in and  
14 otherwise in accordance with the Indenture and shall be executed by the manual or facsimile  
15 signature of the Mayor of the City (the “Mayor”).

16 Section 3. The Indenture of Trust (the “Indenture”) in the form presented to the Board,  
17 a copy of which is on file with the Clerk of the Board, is hereby approved. The Indenture shall  
18 be entered into by and between the City and a trust company, a state banking corporation or a  
19 national banking association with the authority to accept trusts in the State of California  
20 selected by the Director of the Mayor’s Office of Housing and Community Development (the  
21 “Director”) and otherwise meeting the requirements of the Indenture (the “Trustee”). Each of  
22 the Mayor, the Director of the Mayor’s Office of Housing and Community Development and  
23 the Housing Development Director of the Mayor’s Office of Housing and Community  
24 Development (collectively, the “Authorized Representatives” and each, an “Authorized  
25 Representative”), or a designee thereof, is hereby authorized to execute the Indenture,

1 approved as to form by the City Attorney of the City (the "City Attorney"), in substantially said  
2 form, together with such additions thereto and changes therein as the City Attorney and Co-  
3 Bond Counsel may approve or recommend in accordance with Section 7 hereof.

4 Section 4. The Regulatory Agreement and Declaration of Restrictive Covenants (the  
5 "Regulatory Agreement"), between the City and the Borrower, in the form presented to the  
6 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each  
7 Authorized Representative, or a designee thereof, is hereby authorized to execute the  
8 Regulatory Agreement, approved as to form by the City Attorney, in substantially said form,  
9 together with such additions thereto and changes therein as the City Attorney and Co-Bond  
10 Counsel may approve or recommend in accordance with Section 7 hereof.

11 Section 5. The Loan Agreement (the "Loan Agreement") by and between the City and  
12 the Borrower, in the form presented to the Board, a copy of which is on file with the Clerk of  
13 the Board, is hereby approved. Each Authorized Representative, or a designee thereof, is  
14 hereby authorized to execute the Loan Agreement in substantially said form, together with  
15 such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may  
16 approve or recommend in accordance with Section 7 hereof.

17 Section 6. The City, acting through the Mayor's Office of Housing and Community  
18 Development, shall charge a fee for the administrative costs associated with issuing the  
19 Bonds in an amount not to exceed 0.25% of the aggregate principal amount of the Bonds.  
20 Such fee shall be payable at bond closing and may be contingent on the bond sale. The City  
21 shall also charge an annual fee for monitoring the restricted units in an amount not to exceed  
22 0.125% of the outstanding aggregate principal amount of the Bonds, but no less than \$2,500  
23 annually, for the term of the Regulatory Agreement. The initial monitoring fee shall be  
24 payable at and contingent upon bond closing. The Board hereby authorizes the Mayor's  
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1 Office of Housing and Community Development to charge and collect the fees described in  
2 this section.

3 Section 7. Any Authorized Representative, or designee thereof, executing the  
4 Indenture, the Regulatory Agreement or the Loan Agreement (collectively, the “City  
5 Agreements”), in consultation with the City Attorney and Co-Bond Counsel, is hereby  
6 authorized to approve and make such modifications, changes or additions to the City  
7 Agreements as may be necessary or advisable, provided that such modification does not  
8 authorize an aggregate principal amount of Bonds in excess of \$51,000,000, provide for a  
9 final maturity on the Bonds later than forty (40) years, or provide for the Bonds to bear interest  
10 at a rate in excess of twelve percent (12%) per annum. The approval of any modification,  
11 addition or change to any of the aforementioned documents shall be evidenced conclusively  
12 by the execution and delivery of the document in question.

13 Section 8. All actions heretofore taken by the officers and agents of the City with  
14 respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified.

15 Section 9. The proper officers of the City are hereby authorized and directed, for and  
16 in the name and on behalf of the City, to do any and all things and take any and all actions  
17 and execute and deliver any and all certificates, agreements and other documents, including  
18 but not limited to those documents described in the Indenture, the Loan Agreement, and the  
19 Regulatory Agreement, which they, or any of them, may deem necessary or advisable in order  
20 to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes  
21 thereof and of the documents herein approved in accordance with this Resolution. Any such  
22 actions are solely intended to further the purposes of this Resolution, and are subject in all  
23 respects to the terms of the Resolution. No such actions shall increase the risk to the City or  
24 require the City to spend any resources not otherwise granted herein. Final versions of such  
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1 documents shall be provided to the Clerk of the Board for inclusion in the official file within 30  
2 days of execution by all parties.

3 Section 10. All documents referenced herein as being on file with the Clerk of the  
4 Board are located in File No. \_\_\_\_\_, which is hereby declared to be a part of this  
5 Resolution as if set forth fully herein.

6 Section 11. This Resolution shall take effect from and after its adoption by the Board  
7 and approval by the Mayor.

8

9 APPROVED AS TO FORM:  
10 DENNIS J. HERRERA  
City Attorney

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12 By: \_\_\_\_\_  
13 HEIDI J. GEWERTZ  
Deputy City Attorney  
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